# TOBACCO/SMOKING TAXES/LITIGATION

THE WALL STREET JOURNAL WEDNESDAY, JANUARY 6, 1993

### What's News—

World-Wide

THE EPA DECLARED that "passive" tobacco smoke is a human lung carcinogen.

The finding, to be issued tomorrow, is likely to generate demands for drastic new curbs on smoking in workplaces and public areas. The agency also found that for children, exposure to passive smoke in-

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creases the risk of bronchitis and pneumonia, asthma, and problems in the ear and lungs. The report "will have profound reverberations in the country," according to EPA chief Reilly. (Article on Page B1)

Reilly last month said that a decision to declare passive smoke an environmental health risk could substantially increase the legal liability of businesses.

#### THE WALL STREET JOURNAL.

# MARKETPLACE

## EPA Declares 'Passive' Smoke a Human Carcinogen

By Timothy Noah

Staff Reporter of THE WALL STREET JOURNAL WASHINGTON — The Environmental Protection Agency has concluded that "passive" tobacco smoke is a human lung carcinogen, a decision that is likely to generate demands for drastic new curbs on smoking in workplaces and public places.

The EPA also found that for young children, exposure to passive smoke increases risk of bronchitis and pneumonia, asthma, and disturbances in the middle ear and lungs.

The report caps two years of wrangling

HEALTH

between the EPA and tobacco companies over the dangers of passive smoking and may prod the federal Occupational Safety and Health Administration to craft tighter regulations on smoking in the workplace. But its ultimate impact will depend on the eagerness of the incoming Clinton administration to tackle the issue and the ability of lawyers to exploit a potentially lucrative new area of liability for companies

that allow smoking on their premises.

The findings are in a final report to be issued by the EPA tomorrow. The report, which follows a series of drafts on the health effects of tobacco smoke on non-smokers, "will have profound reverberations in the country," according to departing EPA administrator William Reilly. In an interview last month, Mr. Reilly pre-

(Cont'd.)

# Business

## Dow slips 1.35, buck falls

By CLAUDIA CARPENTER

Stocks went down in a cloud of smoke yesterday.

The Dow Jones industrial average lost 1.35 points to 3,307.87 as Philip Morris was burned 2% to 73% on worries about a possible doubling in New York State's tax on

cigarettes. Also, an EPA report

due out tomorrow will classify secondhand smoke as a carcinogen. Philip Morris, which makes Marlboro, was the most active among the 30 DJIA stocks, at 5.1 million shares. RJR Nabisco, which makes Winston, fell 4 to 8%.

THE NEW YORK TIMES, WEDNESDAY, JANUARY 6, 1993

#### Dow Off 1.35, to 3,307.87, in Heavy Trading

#### By ALLEN R. MYERSON

Investors fled medical and consumer stocks yesterday for some energetic cyclical and technology issues, but their flight left the market averages little changed.

The Dow fell 1.35 points, to 3,307.87, on heavy volume, but Big Board advances outnumbered declines.

To an extent, yesterday's action continued a course that began last fall, with many cyclical stocks showing more life than consumer massmarketers.

#### Confidence in Recovery

"The market was telling us that we have a sustainable recovery under way," said Stefan D. Abrams, a portfolio manager at the Trust Company

of the West. "It would be a great mistake for any investor to radically change his strategy just because he's signing his checks 1993 instead of 1992."

Philip Morris, the nation's largest maker of consumer products, was by far the biggest loser among Dow stocks, falling 2½, to 73½, in hectic trading after reports that Gov. Mario M. Cuomo of New York wanted to raise the state's cigarette tax to 75 cents a pack, from 35 cents. An analyst added to the damage by saying that smokers would continue to desert the company's Marlboro cigarettes for cheaper brands.

Other tobacco, food and beverage stocks also slid, with Coca-Cola off %.

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dicted that the report would represent "one of the biggest decisions I ever will make."

In the interview, Mr. Reilly said that an EPA decision to declare passive smoke an environmental health risk could substantially increase the legal liability of businesses. "If you were running a bar or an airline or a body shop or whatever," he said, "and you saw your people smoking, or you allowed customers to smoke, you'd be opening yourself up 10 years, 15 years later to lawsuits. And people would be able to say you knew you were exposing us to cancer. There wasn't any doubt about the issue. The government has spoken on the question."

But Steve Parrish, senior vice president for external affairs at Philip Morris Cos.' Philip Morris U.S.A., disputes Mr. Reilly's conclusion, declaring, "there is no statistically significant increased risk of lung cancer from exposure to passive smoke or environmental tobacco smoke in social-settings." He predicts legal challenges would fail because "one of the important things that somebody is going to have to show to win a lawsuit is causation."

Since the initial draft of the report was released in 1990, tobacco interests and supporters in Congress such as Democratic Rep. Thomas Billey Jr. of Virginia have quarreled relentlessly with its conclusions. "There is a mind-set that we want to discourage people from smoking," Mr.

Parrish says. "If one of the things that supports that is to make claims about the health effects" of passive smoking, he says, then the EPA is willing to "make those claims and adjust the science to fit the policy."

But an EPA official says that the report eliminated a previously planned section on passive smoking and heart disease because agency scientists found the link didn't appear to be as great as that between passive smoking and lung cancer. Previous studies have shown that individuals who smoke cigarettes have a greater risk of heart disease.

According to the report, passive smoke is responsible for about 3,000 lung cancer deaths each year in the U.S. In addition, the report estimates that nonsmokers' exposure to smoke translates into between 150,000 and 300,000 cases of bronchitis and pneumonia every year in young children aged up to 18 months. Between 7,500 and 15,000 of these cases result in hospitalization, the EPA report says.

The report says that passive smoke worsens asthma symptoms for 200,000 to one million children yearly and increases the chances that children who don't have asthma will get it. It also states that exposure to tobacco smoke can increase fluid in the middle ear, leading to infection.

The findings regarding children will likely have the greatest immediate impact, says Cliff Douglas, tobacco policy director for the Advocacy Institute, a nonprofit group focusing on consumer, health and safety issues. "In the long run, I think this will lead to elimination of smoking in public places and in the workplace," he says, but "in the short run, it should certainly lead to elimination of smoking in all locations where children face exposure."

Antismoking activists likely will use the report to press state legislatures to ban smoking at day care centers, preschools and schools. "Many states have no requirements whatsoever," says Fran DuMelle, deputy managing director of the American Lung Association. Ms. DuMelle also foresees "more and more public places that restrict smoking, worksites in particular." She says the report's impact will likely be greater on schools and workplaces than on such public places as bars and restaurants because the greatest risk from passive smoking comes with repeated daily exposure. Currently, 44 states have some form of restriction on smoking at worksites.

The report also is expected to put additional pressure on OSHA to ban smoking in the workplace. OSHA has issued a "request for information" calling for public comment on whether it should issue a rule governing indoor air quality, including the impact of passive smoke. But it has been slow to move on the matter; the request for information was published in the Federal Register more than a year ago, and OSHA hasn't yet fixed a deadline by which it will decide whether it will issue a regulation.

"Certainly the information in the EPA report will be helpful in that process," says OSHA spokesman Douglas Fuller, but "we'll have to wait to see what the report says." He adds that the fate of any rule will be determined by the incoming Clinton administration.

In the interview last month, Mr. Reilly said EPA had put together an "office policy guide" on how to create a smoke-free office environment, but he had decided not to release it because it would "look like we're trying to torque the science, and I think the science will be compelling enough." He said the guide could be issued later, by his successor, Carol Browner. He also said that "I don't think you'll even need OSHA" to follow through on the EPA report for it to have an impact. "I think really the liability question will drive it."

THE NEW YORK TIMES, WEDNESDAY, JANUARY 6, 1993

#### U.S. to Term Secondary Smoke a Cancer Peril

By The Associated Press

The Environmental Protection Agency will release a long-delayed report concluding that secondhand cigarette smoke is a human carcinogen and causes about 3,000 lung-cancer deaths a year in nonsmokers, agency officials said yesterday.

The report, to be made public tomorrow, also concludes that secondhand smoke increases the risk of pneumonia and bronchitis in children.

Release of the report, after more than two years of revisions, could lead to Federal, state and local regulations limiting smoking in public places, health advocates said.

"Having the E.P.A.'s imprimatur on this is extremely important," said Dr. he has issued," Mr. Munzer said, "and

Alfred Munzer, a spokesman for the Coalition on Smoking or Health, which includes the American Lung Association, the American Heart Association and the American Cancer Society. "We believe this will motivate state governments and local governments to enact further regulations limiting smoking in public places."

The report could also prod the Occupational Safety and Health Administration to regulate smoking in the workplace, health advocates said.

Douglas Fuller, a spokesman for the agency, called on President Bush to use the report to justify an order to restrict smoking in Federal buildings. "This is far less controversial than the pardons he has issued." Mr. Munzer said. "and

Alfred Munzer, a spokesman for the would do a tremendous amount for the Coalition on Smoking or Health, which public health."

The report concludes that secondhand smoke is a proven human carcinogen, putting it in the same class as asbestos, benzene and radon, officials of the environmental agency said.

The report will be made public in Washington by William K. Reilly, administrator of the environmental agency, and Louis W. Sullivan, Secretary of Health and Human Services, an E.P.A. spokesman said.

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## Secondhand Smoke Peril Affirmed

EPA Move to Endorse Report on Cigarettes May Affect Workplace

> By Tom Kenworthy Washington Post Staff Writer

In a long-delayed decision that eventually could have a major impact on the American workplace, the Environmental Protection Agency will conclude officially Thursday that exposure to "second-hand" cigarette smoke causes lung cancer in adults and greatly increases the risk of respiratory illnesses in children.

EPA administrator William K. Reilly's endorsement of a report by a panel of scientific advisers to the agency will end a contentious two-year review of the issue during which the panel's evidence and conclusions have been denounced repeatedly by the tobacco industry.

The EPA's endorsement of the scientific panel's findings will have no immediate practical impact, because the agency has no authority to regulate indoor air pollution. But the move could have a significant influence on how local governments and the federal Occupational Safety and Health Administration (OSHA) adopt and enforce workplace antismoking rules.

OSHA is in the early stages of soliciting information on indoor air quality, a process that could lead to new federal rules on air pollution in the workplace. An OSHA spokesman said yesterday that "it's too early to tell" what the impact will be of the EPA's designation of passive tobacco smoke as a human carcinogen, but said the report will "feed into the process" of workplace rulemaking now underway at the agen-

The EPA's scientific advisory panel finished its review of the subject in

late October, approving a report that concludes that environmental tobacco smoke (ETS) is a "Class A" human carcinogen—a group that includes a handful of substances such as asbestos, arsenic and benzene. ETS, the panel estimated from a variety of studies, annually causes the lung cancer deaths of approximately 3,000 U.S. adults.

The report also blames secondhand smoke for hundreds of thousands of cases of childhood respiratory illnesses such as bronchitis and pneumonia and for increasing the severity of asthma attacks in children.

Public health advocates hailed the news that EPA would take the final step in endorsing the scientific panel's conclusions, which is scheduled to take place at a news conference with Reilly and Health and Human Services Secretary Louis W. Sullivan Thursday.

"This really puts the EPA imprimatur on something the public has known for a long time—that is, that secondhand smoke is dangerous, that tobacco smoke, whether inhaled from one's own cigarette or someone else's cigarette, is basically the same product," said Alfred Munzer, a Washington-area lung specialist who is the incoming president of the American Lung Association.

Munzer said the EPA's endorsement could provide "further impetus" for the passage of workplace smoking bans by local and state governments. He also urged President Bush to ban smoking in all federal buildings by executive order.

Tom Borelli, director of scientific affairs for cigarette maker Philip Morris Cos. Inc., said that EPA's statistical basis for assessing the risk of environmental tobacco smoke was flawed and that the agency ignored studies that conclude that the risk of secondhand smoke is statistically insignificant.

"They've adjusted the science to

fit policy," said Borelli. "Clearly any issue dealing with tobacco is a very, very emotional issue. Sometimes emotion can override science. This [report] is politically correct."

Borelli said the EPA used a recently popular statistical technique called meta-analysis—integrating the findings of many studies of different designs into a single result. "This was a precedent-setting risk assessment, the first time EPA ever used meta-analysis" said Borelli

analysis," said Borelli.

An EPA official disputed Borelli's criticism, saying the agency had used the meta-analysis technique at least once previously.

In its final draft of the report, the EPA's scientific advisory committee, which twice reviewed the overall conclusions and methodology, defended its work: "The revised draft has an improved presentation, discussion and analysis of ETS as a lung carcinogen . . . . The committee was unanimous in endorsing this classification."

#### News Digest

#### Secondary Smoke Kills, EPA Report Concludes

The Environmental Protection Agency will release a report concluding that secondhand cigarette smoke is a human carcinogen and causes about 3,000 lung-cancer deaths a year in nonsmokers. The report also says secondhand smoke increases the risk of pneumonia and bronchitis in children.

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#### Secondhand Smoke Is A Killer, Says Long-Delayed EPA Report

NEW YORK (AP) — The Environmental Protection Agency will release a long-delayed report concluding that secondhand cigarette smoke is a human carcinogen and causes about 3,000 lung-cancer deaths a year in nonsmokers, EPA officials said yesterday.

The report, to be released tomorrow, also concludes that secondhand smoke increases the risk of pneumonia and bronchitis in children.

Release of the report, after more than two years of revisions, could trigger an avalanche of federal, state and local regulations limiting smoking in public places, health advocates said.

"Having the EPA's imprimatur on this is extremely important," said Dr. Alfred Munzer, a spokesman for the Coalition on Smoking or Health, which includes the American Lung Association, the American Heart Association and the American Cancer Society.

"We believe this will motivate state governments, local governments to enact further regulations limiting smoking in public places."

The report also could prod the Occupational Safety and Health Administration to regulate smoking in the workplace, health advocates said. Douglas Fuller, an OSHA spokesman, said the agency would weigh the EPA report carefully in its deliberations.

Munzer called on President Bush to use the report to justify an order to restrict smoking in federal buildings. "This is far less controversial than the pardons he has issued and would do a tremendous amount for the public health," Munzer said.

The report concludes that secondhand smoke is a proven human carcinogen, putting it in the same class as asbestos, benzene and radon, EPA officials said.

The report's authors determined

that cigarette smoke causes about 3,000 lung cancer deaths in nonsmokers annually, and that it increases the risk of pneumonia, bronchitis, and middle-ear disorders in children. The report also concludes that cigarette smoke increases the severity and frequency of asthma in children, EPA officials said.

The EPA has decided to kill a second report that links secondhand smoke to 37,000 heart-disease deaths annually, said Robert Axelrad, head of the EPA's indoor-air division. The report originally was conceived to be a companion to the lung-cancer report.

The link between cigarette smoke and heart disease is considered even more explosive than the lung-cancer link, because cigarette smoke causes roughly 10 times as many heart-disease as lung-cancer deaths.

The heart association has petitioned the EPA to do its own study of secondhand smoke and heart disease, but the agency hasn't responded. "We have not made a decision to do so at this time," Axelrad said.

The lung-cancer report was the focus of a massive lobbying campaign by the tobacco industry and its allies in Congress, who submitted hundreds of pages of documents to the EPA during the past two years in an effort to delay or water down the report.

Despite the attack, the EPA refused to back away from its condemnation of tobacco smoke as a human carcinogen and a dangerous indoor-air pollutant, said EPA officials who worked on the report.

Brennan Dawson, a spokeswoman for the Tobacco Institute, said that despite the report's revisions, its conclusions were still not supported by existing scientific data: "Any number of independent world-renowned experts have looked at this report and said the EPA has mischaracterized and manipulated the data."

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### 2nd-hand cigarette smoke kills 3,000 a yr., study says

Post Wire Services

Secondhand cigarette smoke causes about 3,000 lung-cancer deaths a year in non-smokers, according to a long-delayed federal report that will be released this week.

The report by the Enviromental Protection Administration, after two years of revisions, concludes that secondhand smoke is a human carcinogen — putting it in the same class as asbestos, benzene and radon.

Release of the report tomorrow could trigger an avalanche of federal, state and local regulations limiting smoking in public places, health advocates said.

"Having the EPA's imprimatur on this is extremely important," said Dr. Alfred Munzer, a spokesman for the Coalition on Smoking or Health, which includes the American Lung Association, the American Heart Association and the American Cancer Society.

"We believe this will motivate state governments, local governments to enact further regulations limiting smoking in public places."

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Next time you puff away (right), you might think about the others you're affecting — or you might just put it out (above).

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THE BOSTON HERALD, TUESDAY, JANUARY 5, 1993

## EPA to affirm passive smoke as cancer risk

By Anita Manning **USA TODAY** 

An Environmental Protection Agency report to be released Thursday will say secondhand cigarette smoke causes cancer and is a significant threat to children's health, says the Coalition on Smoking or Health.

The report, to be released after two years of revisions and intense debate, puts secondhand tobacco smoke in the same category of carcinogens as asbestos and radon and says it will kill about 3,000 nonsmokers this year.

The EPA report calls secondhand smoke "a significant risk factor in respiratory infections, middle ear infections and asthma in children," says Fran DuMelle of the coalition, which includes the American Lung Association, the American Heart Association and the American Cancer Society.

She hopes the report will lead to laws restricting tobacco use indoors, especially in schools and day-care centers.

Health advocates say it may prompt action by the Occupational Safety and Health Administration to restrict smoking where people work.

Opponents continue to question the scientific validity of the report. "You can't just jettison the science to do the politically correct thing," says John Shanahan, environmental analyst at The Heritage Foundation, Washington, D.C.

Executives of Philip Morris U.S.A. have called a news conference for today to discuss what they termed EPA's "flawed risk assessment on environmental tobacco smoke."

## Agency's move expected

to spark regulation debate

By NICK TATE

The Environmental Protection Agency is planning to approve a controversial new advisory board's recommendation this week declaring secondhand tobacco smoke a known human carcinogen and a significant health hazard to children.

EPA sources confirmed yesterday EPA Administrator William K. Reilly, in one of his last major actions, will sign a report by EPA's Science Advisory Board designating environmental tobacco smoke (ETS) a "Group A" carcinogen - a distinction now shared by fewer than 10 substances, including arsenic and asbestos.

According to a draft summary of the report,

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obtained by . the Herald, the panel of scientific researchers concluded secondhand smoke causes 2.500 to 3.300 lung cancer deaths among nonsmokers and up to 300,000 lower respiratory tract infections among children a year.

"This is the final risk assessment," said EPA spokesman John Kasper, who noted the report has undergone several revisions and peer reviews since 1990. "(Reilly) will sign it and it will become an official document."

Kasper and other EPA officials acknowledged it is unclear what practical impact the report's approval will have because the federal agency has no authority to regulate indoor air pollutants.

But several researchers, including a member of the advisory board's executive review committee, said the EPA action will increase the debate over the federal government's role in regulating secondhand smoke and other dangerous indoor air poliutants, such as radon.

Health experts also said the report will almost certainly drive

new efforts by anti-smoking forces to push for local, state and federal limits on smoking in workplaces and public buildings.

"I think this is significant because EPA has a mandate to be concerned about the health of the nation's citizens and the things that affect the nation's health."

haf, executive director of the antismoking organization Action on Smoking and Health, argued the report would give organizations like his new ammunition to persuade legislative bodies at the state, local and federal level to seek widespread bans on smoking indoors.

This is basically saying EPA believes it has been clearly established that passive smoking causes lung cancer and other diseases.

EPA to link 2nd-hand smoke, cancer

— Dr. S. Katharine Hammond

said Dr. S. Katharine Hammond. a consultant to the advisory board and a secondhand smoke researcher at the University of Massachusetts Medical School in Worcester.

"This is basically saying EPA believes it has been clearly established that passive smoking causes lung cancer and other diseases," she added. John F. Banz-

He predicted the report could bring about major changes in such places as restaurants, many of which now have separate smoking and nonsmoking sections but which in the future may have to ban smoking. He has also suggested it could affect child custody case settlements and lead to court orders prohibiting smoking in homes with children.

MaryBeth Smuts, a toxicologist in EPA's regional New England office, said Reilly's decision raises a number of thorny public policy questions - not only for EPA but also for the Department of Health and Human Services. and the Occupational Safety and Health Administration.

In the short term, Smuts expects EPA will step up public-information campaigns -- modeled after EPA's radon advisories to discourage smoking, especially in the presence of children.

She also said federal health officials, who are slated to join Reilly Thursday in announcing the decision, plan to work with state health departments to step up efforts regarding secondhand smoke.

Studies linking secondhand smoke to health problems have been growing since 1986, when the surgeon general released a landmark report tying passive smoking to lung cancer and other ailments.

In recent years, the American Heart Association has tied secondhand smoke to as many as 35,000 deaths a year due to heart disease.

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(Other coverage available upon request.)